

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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BILL DRAFT 2005-SYz-40 [v.2] (05/09)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
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Short Title: Low Emission Vehicles/Funds.

(Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED
AN ACT TO IMPROVE AIR QUALITY IN THE STATE BY PROVIDING FOR THE
SALE OF LOW EMISSION VEHICLES, AS RECOMMENDED BY THE
ENVIRONMENTAL REVIEW COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. Article 21B of the General Statutes is amended by adding a
new section to read:

"§ 143-215.107E. Low-Emission Vehicles.

(a) Definitions. – As used in this section:

(1) 'Consumer' means the purchaser, other than for purposes of resale, or lessee from a commercial lender, lessor, or from a manufacturer or dealer, of a vehicle, and any other person entitled by the terms of an express warranty to enforce the obligations of that warranty.

(2) 'Dealer' means any person engaged in the business of selling, offering to sell, soliciting or advertising the sale of new vehicles who holds a valid sales and service agreement, franchise or contract, granted by the manufacturer or distributor for the retail sale of said manufacturer's or distributor's new vehicles.

(3) 'Emergency vehicle' means any authorized vehicle publicly owned and operated that is used by a peace officer, used for fighting fires or responding to emergency fire calls, used by emergency medical technicians or paramedics, used for towing or servicing other vehicles, or used for repairing damaged lighting or electrical equipment.

(4) 'Emission control label' means a paper, plastic, metal or other permanent material, welded, riveted or otherwise permanently attached to an area within the engine compartment or to the engine, in such a

way that it will be visible to the average person after installation of the engine in all new vehicles certified for sale in this State.

(5) 'Fleet average emission' means a vehicle manufacturer's average vehicle emissions of all non methane organic gases from all new vehicles delivered for sale or lease in this State in any model year.

(6) 'Light-duty truck' means any 2010 or subsequent model year vehicle rated at 8,500 pounds gross vehicle weight or less, and any other 2010 or subsequent model year vehicle, rated at 6,000 pounds gross vehicle weight or less, that is designed primarily for purposes of transportation of property or is a derivative of such a vehicle, or is available with special features enabling off-street or off-highway operation and use.

(7) 'LEV-II' means the California 'LEV II' exhaust emission standards for passenger cars, light-duty trucks and medium-duty vehicles codified in Title 13 of the California Code of Regulations, (13 May 2005 Edition).

(8) 'Manufacturer' means any person or corporation, resident or nonresident, who manufactures or assembles or imports or distributes new motor vehicles that are sold in this State.

(9) 'Medium-duty vehicle' means any 2010 or subsequent model year vehicle rated at 8,501 or more pounds but less than 14,000 pounds gross vehicle weight.

(10) 'Model year' means a vehicle manufacturer's annual production period that includes 1 January of a calendar year or, if the manufacturer has no annual production period, the calendar year. In case of any vehicle manufactured in two or more stages, the time of manufacture shall be the date of completion of the chassis.

(11) 'New vehicle' means any vehicle with 7,500 miles or fewer on its odometer.

(12) 'Passenger car' means any 2010 or subsequent model year vehicle designed primarily for transportation of persons and having a design capacity of twelve persons or less.

(13) 'PZEV credit' means partial zero emission vehicle credit.

(14) 'Recall' means:

a. The issuance of a notice directly to consumers that vehicles in their possession or control should be corrected.

b. Efforts to actively locate and correct vehicles in the possession or control of consumers.

(15) 'Smog index label' means a decal securely affixed by the manufacturer to a window of all passenger cars and light-duty trucks that discloses the smog index for the vehicle in accordance with LEV-II standards.

(16) 'Vehicle' means a motor vehicle.

(17) 'ZEV credit' means zero emission vehicle credit.

(b) LEV-II vehicles. – No person, including a manufacturer or dealer, shall deliver for sale or lease, offer for sale or lease, sell or lease, import, acquire, receive,

1 purchase, or rent a new vehicle that is a passenger car or light-duty truck in this State
2 unless the vehicle meets the following LEV-II standards and criteria:

- 3 (1) Exhaust emissions standards.
- 4 (2) Emission control label and smog index label requirements.
- 5 (3) Evaporative emissions standards.
- 6 (4) Refueling emissions standards.
- 7 (5) Malfunction and diagnostic system requirements.
- 8 (6) Assembly-line testing procedure requirements.
- 9 (7) Specifications for fill pipes and openings of vehicle fuel tanks.
- 10 (8) Warranty requirements.
- 11 (9) Recall requirements.

12 (c) Exempt vehicles. – This section shall not apply to any of the following new
13 vehicles:

- 14 (1) An emergency vehicle.
- 15 (2) A vehicle with a right-hand drive configuration that is not available in
16 a model that complies with LEV-II standards, purchased by a rural
17 route postal carrier and used primarily for work.
- 18 (3) A vehicle designed exclusively for off-highway use.

19 (d) Exempt transactions. – This section shall not apply to any of the following
20 types of vehicle transactions:

- 21 (1) A transfer by court decree.
- 22 (2) A transfer by inheritance.
- 23 (3) A purchase by a nonresident prior to establishing residency in this
24 State.
- 25 (4) A purchase for the purpose of being wrecked or dismantled.
- 26 (5) A purchase that will be registered out of the State.
- 27 (6) A purchase by a licensed dealer from another licensed dealer.

28 (e) Fleet requirements. – Each manufacturer shall meet the following fleet
29 requirements for new vehicles delivered for sale or lease in this State.

- 30 (1) Compliance with medium-duty vehicle phase-in requirements.
- 31 (2) Compliance with the Zero Emission Vehicle sales requirement,
32 including the earning and banking of ZEV and PZEV credits."

33 **SECTION 2.** Article 3 of Chapter 20 of the General Statutes is amended by
34 adding a new section to read:

35 **"§ 20-54.2. Title and registration of low-emission motor vehicles; exemptions;**
36 **penalties.**

37 (a) The Division shall refuse issuance of a certificate of title or registration or
38 any transfer of registration of a motor vehicle that is subject to but does not comply with
39 the provisions of G.S. 143-215.107E.

40 (b) The Governor may, in consultation with the Secretary of Transportation and
41 the Secretary of Environment and Natural Resources, exempt certain motor vehicles
42 from the provisions of G.S. 143-215.107E.

(1) Exemptions established under this subsection shall be limited to motor vehicles that would be exempted from the low-emission vehicle program established under the laws of the State of California.

(2) Any motor vehicle exempted under this subsection shall be permanently exempt from the provisions of G.S. 143-215.107E. The Division shall note the exemption on the title of the motor vehicle.

(c) The Department, in consultation with the Department of Environment and Natural Resources, shall adopt rules to prohibit the transfer of motor vehicles or motor vehicle engines that are not in compliance with G.S. 143-215.107E if the rules are necessary to achieve equivalence with the low-emission vehicle program established under the laws of the State of California.

(d) A person shall not transfer or attempt to transfer a motor vehicle or motor vehicle engine that is subject to but does not comply with G.S. 143-215.107E.

(e) A person may not procure or attempt to procure through fraud or misrepresentation the title or registration of a motor vehicle that is subject to but does not comply with G.S. 143-215.107E.

(f) The enforcement and penalty provisions of this Article shall apply to a violation of this section and the rules adopted pursuant to this section.

(g) Each transfer and each attempted transfer of a motor vehicle or motor vehicle engine that does not comply with G.S. 143-215.107E shall constitute a separate violation.

(h) As used in this section, 'transfer' means to acquire, purchase, sell, or lease."

SECTION 3. The Environmental Management Commission shall adopt rules to establish motor vehicle emissions standards and compliance requirements that are equivalent to those applicable under laws of the State of California pursuant to G.S. 143-215.107E(e), as enacted by Section 1 of this act. To minimize the administrative impact of the low-emission vehicle program and to minimize the impact of motor vehicle emissions generated out of this State on the air quality of this State, the Commission:

(1) May adopt rules to incorporate regulations issued by the California Air Resources Board, and other applicable rules, procedures, and certification data by reference.

(2) May work in cooperation and enter into contracts or agreements with the State of California, other states that have implemented a low-emission vehicle program that is equivalent to the low-emission vehicle program established by this act, and the District of Columbia to administer certification, in-use compliance, recall, and warranty requirements for the low-emission vehicle program under this act.

(3) Shall work in conjunction with other states and the District of Columbia to promote and facilitate the regional adoption of low-emission vehicle programs that is equivalent to the low-emission vehicle program established by this act.

SECTION 4. This act is effective when it becomes law.